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Oversight Hearing on "Implementation of the Healthy Forests Restoration Act"
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Thank you for the opportunity to testify on the U.S. Department of the Interior's (Interior) implementation of the Healthy Forests Restoration Act (HFRA) [P.L.108-148] and our agencies' activities to reduce hazardous fuels and improve forest and rangeland health on the public lands.

Four years ago, wildland fires swept across portions of the western United States, burning millions of acres. In southwestern Oregon, the Biscuit Fire burned almost 500,000 acres in 2002 and cost more than $150 million to suppress. In response to this and other large wildland fires, the President and the Congress acted in rapid succession in 2002 and 2003 to authorize Federal land management agencies to expedite action to reduce the amount of hazardous fuels on Federal lands, reduce the threat of wildland fire, and restore the health of our public forests and rangelands.

The land management agencies of the Department of the Interior and the U.S. Forest Service have moved aggressively to implement these new administrative and statutory authorities. These include streamlined authorities to meet the requirements of the National Environmental Policy Act (NEPA) provided by HFRA and the President's Healthy Forests Initiative (HFI). The BLM and the Forest Service use the stewardship contracting authority provided by the 2003 Omnibus Appropriations Act (Section 323 of Public Law 108-7) to reduce hazardous fuels while providing economic benefits to local communities. HFRA has encouraged local communities to work with Federal agencies to prepare Community Wildfire Protection Plans (CWPP), and each of the Interior agencies is actively involved in assisting States and local governments. All these tools emphasize the importance of partnerships in reducing the risk of wildland fire.

Using all of our authorities in close coordination with State, local, and Tribal interests, Interior's agencies have treated 7 million acres since Fiscal Year 2002, which includes approximately 5.9 million acres through the hazardous fuels reduction program and approximately 1.1 million acres of landscape restoration accomplished through other land management activities. For three consecutive years, Interior has exceeded program targets for both total acres treated and for treating acres within the wildland-urban interface (WUI). We have tripled the amount of WUI acres treated since FY 2001 – treating 543,000 acres in FY 2005 compared to 164,000 acres in FY 2001 – and increased the WUI share of total program acreage from 22 percent in FY 2001 to 44 percent planned for FY 2006.

A brief description of Interior agencies' use of these new authorities follows.

Healthy Forests Initiative (HFI)
On August 22, 2002, the President announced his Healthy Forests Initiative. The HFI directed the Secretaries of the Interior and of Agriculture, together with the Chairman of the Council on Environmental Quality, to improve regulatory processes in order to reduce the risk of catastrophic wildland fires by restoring forest health.

In response, the agencies developed administrative procedures to expedite needed actions, including two new categorical exclusions (CX) under NEPA that allow the agencies to proceed with high-priority hazardous fuels treatments (prescribed fire and thinning) and rehabilitation of areas previously burned without further analysis if a collaboratively selected treatment meets specific criteria related to size,

location, and method. The HFI also resulted in streamlined consultation procedures on threatened and endangered species with the U.S. Fish and Wildlife Service and national Marine Fisheries Service for National Fire Plan projects.

Interior agencies have used the HFI categorical exclusions extensively because a hazardous fuels reduction project that meets the CX criteria can be implemented rapidly. This tool is especially valuable, for example, in treating areas of a WUI that could be rapidly thinned to reduce the risk of wildfire, or to accomplish on post-fire reseeding or erosion control measures before a rainy season begins. In FY 2004, Interior's bureaus used the HFI tools to treat approximately 40,000 acres. In FY 2005, HFI tools were used to treat approximately 190,000 acres. This fiscal year, we plan to use these tools on over 1,000 treatments to reduce hazardous fuels on approximately 200,000 acres.

For example, in the Castle Rock area near Vale, Oregon, the BLM used the CX authority to implement treatments that both reduce existing fire hazard and improve forest health. This area contains one of the few remaining stands of old growth Ponderosa pine and Douglas fir left in the area. By 2003, large quantities of dead, woody debris had dramatically increased the stand's susceptibility to disease and insect infestation, and significantly raised the potential for catastrophic stand replacement fire. The BLM sought input from local ranchers and the Paiute Indian Tribe in planning a fuels reduction program.

In the spring of 2004, the CX was approved and fuels reduction activities were implemented on-the-ground. A total of 850 acres of Ponderosa pine stands are being treated using a combination of under-story thinning, hand piling, and prescribed fire. In FY 2005, 200 acres of pine were treated. Approximately 350 acres of North Slope Douglas fir will be considered for fuels reduction activities in the near future. Early analysis suggests that commercial thinning in conjunction with fuels reduction activities would significantly reduce the existing fire hazard and improve forest health. Fuels reduction costs may be mitigated as a result of a stewardship contract.

Stewardship Contracting

Congress authorized the BLM and extended the Forest Service to use stewardship contracts, which are intended to provide economic benefits to local communities, to reduce hazardous fuels and restore forest and rangeland health, in the FY 2003 Omnibus Appropriations Act (Section 323 of Public Law 108-7).

BLM has progressively increased the use of stewardship contracting from 2 contracts on 300 acres in FY 2003, to 22 contracts on 6100 acres in FY 2004, and 58 contracts covering 15,700 acres in FY 2005. By the end of FY 2006, the BLM will have used stewardship contracting authority, cumulatively over three years, for over 100 projects to restore forest health and treat fuels on over 35,000 acres of public lands. These projects are located across all of the States that BLM manages in the west, including Alaska.

An example of a successful stewardship project is the 10-year Gerber Stewardship project which began in FY 2004 in south central Oregon. When completed, it will have treated 10,000 acres to improve forest and woodland health, improve rangeland health, reduce hazardous fuels in the WUI, improve wildlife and fisheries habitat, and riparian enhancements. It is now in its third year, with 1500 acres under contract, and has sold 750 MBF and 15,000 tons of biomass for energy development.

Another example is underway in Canon City, Colorado, where the BLM awarded two stewardship contracts to treat 300 acres per year. The contracts will reduce fuels in the WUI and foster forest health improvement and wildlife habitat enhancement. Additionally, the contracts will produce 3,000 tons of biomass and 235,000 board feet of saw timber, providing woody biomass to Aquila Power and logs to local sawmills. In 2004, the Aquila plant generated 730 megawatts of electricity using woody biomass, and may expand their use of biomass under a state law requiring a green energy portfolio of 10 percent by 2015. In FY 2006, the BLM is soliciting a longer-term stewardship contract for multi-year treatments. The saw timber and biomass by-products of this contract will help provide stability and long-term supplies of biomass for energy production.

Healthy Forests Restoration Act (HFRA)
Through the HFRA, signed into law in December of 2003, Congress provided statutory authorities that complement or expand upon the HFI tools already in use by the agencies. Certain authorities in the HFRA are available to both the BLM and the Forest Service (Titles I and II), while other titles apply exclusively to the Forest Service.

Title I of HFRA authorizes the collaborative development and expedited environmental analysis of hazardous fuels reduction projects on public lands that are: (1) at risk of catastrophic wildland fire; and (2) meet one of the following four criteria. The projects are:

- located in wildland-urban interface (WUI) areas;
- identified as condition class 2 and 3 (at moderate to high risk of catastrophic fire) where there are at-risk municipal water supplies;
- in watersheds that provide habitat for threatened and endangered species where catastrophic wildfire threatens the survival of the species and fuels treatments can reduce the risk of wildfire; and
- where windthrow, insect infestation, or disease epidemics threaten forest or rangeland resources.

HFRA authorizes the agencies to streamline environmental assessments to fulfill NEPA requirements, complementing the categorical exclusion authority in HFI. In FY 2005, the BLM used HFRA authorities to treat approximately 9,968 acres in 52 treatments. In FY 2006, the BLM identified 66 HFRA projects covering 28,000 acres. For example:

In the area near La Pine, Oregon, the BLM used the HFRA Title I authority to plan a treatment of 7,000 acres to be implemented in FY 2006. The goals of this WUI project include fuels reduction, creation of defensible space, forest and rangeland health, and protection of a municipal watershed. The project will also yield biomass.

The BLM also has used the Title I authority to plan projects in non-WUI areas of Nevada and Utah. Near Winnemucca, NV, a 1,000-acre fuels reduction and rangeland health project will be implemented in FY 2006. Near Price, UT, Title I authority was used to plan a 500-acre WUI treatment to accomplish defensible space, fuels reduction, and ecosystem restoration.

The Department is committed to utilizing the tools Congress provided through the HFRA. To that end, we will continue to work to improve our performance in implementing the Act and to ensure oversight at both the field and headquarters levels.

Typically bureaus perform NEPA work one or more fiscal years prior to the fiscal year when the on-the-ground treatments are accomplished. Treatments done in fiscal years 2004-2006 often had their NEPA analysis performed before HFI or HFRA authorities were available. As those treatments are completed, the number of HFI/HFRA supported treatments is increasing as is the share of new NEPA work performed using these tools.

The growth in acres treated via HFI/HFRA tools has been dramatic, from over 40,000 acres in FY 2004 to approximately 200,000 acres in FY 2005, with an estimated 230,000 acres to be treated this fiscal year.

Evidencing our commitment to using these important authorities, in FY 2006 the agencies are using HFI/HFRA tools to meet their NEPA requirements on nearly 80 percent of all new fuels treatment projects.

Community Wildfire Protection Plans
A key provision in HFRA encourages local communities to work with Federal agencies to develop Community Wildfire Protection Plans (CWPP). These plans build on community and resource protection activities carried out under the National Fire Plan, and assist local communities, as well as State, Federal,

and Tribal cooperators, to clarify and refine priorities, roles and responsibilities in the protection of life, property, and critical infrastructure in the wildland-urban interface.

State and Federal land management agencies and local communities can use CWPPs to determine hazardous fuels treatments in the wildland-urban interface. As of March 1, 2006, nationwide 650 CWPPs covering 2,700 communities at risk have been completed and 600 are in preparation. To date in FY 2006, the BLM and the Bureau of Indian Affairs have assisted in 55 separate WUI communities with mitigation, fire management, or risk assessment plans.

In Idaho, for example, all counties have completed CWPPs that include prioritized fuels treatments for all of Idaho's priority wildland-urban interface areas.

Idaho County is an example of one county that revised their CWPP to ensure their highest hazard areas are included, and now has a plan that meets all the requirements of HFRA--such as WUI definitions or boundaries, prioritized fuels/community assistance project lists, and agreement by local government, local fire departments, and the State of Idaho on the contents of the plan. As a result, BLM is currently working with several other local and state entities to conduct fuels treatments in Elk City—one of Idaho's highest priority communities.

The BLM is able to tier its hazardous fuels project planning to completed CWPP's. One such example is in central Oregon where the combination of increased fuel and ignition sources have resulted in more acres burned in wildfires over the past five years than burned in the previous century. To address these issues and to identify treatment priorities, a multi-jurisdictional group of agencies, organizations, and individuals gathered to create a series of community wildfire protection plans.

As of September 2005, five community wildfire protection plans have been completed and three others are nearing completion, covering the majority of Crook, Northern Klamath, Jefferson and Deschutes Counties. Using a risk-assessment model, planning committee members identified top priorities to mitigate wildfire. These priorities include risk potential for a fire to occur; hazard potential for a wildfire to spread once ignited; values at risk, such as identification of key infrastructure and ecological and cultural values; structural vulnerability elements of a structure that affect the likelihood of it burning; and protection capability to prepare for, respond to and suppress wildfire. General recommendations included developing year round water sources, continuing to reduce fuels on private lands, improving defensible space, and developing or improving emergency evacuation routes.

One of the greatest concerns identified in the CWPPs is the fuels buildup on Federal lands adjacent to communities. Consequently, the Prineville District BLM and the Deschutes and Ochoco National Forests will be working together to reduce the potential for catastrophic wildfire around the communities at risk. As part of the five-year plan, forests and rangelands in the WUI in central Oregon will receive a variety of treatments, including thinning, mowing, chipping, and burning. While not designed to eliminate fire, the goal of these treatments is to modify the vegetation to the point that ground fire is the norm, not the exception.

Title II of HFRA provides statutory authorization for the agencies to increase the utilization of biomass. Interior is currently expanding its capacity to encourage community-based enterprises that help achieve forest and rangeland health objectives. Fuels projects and post-fire recovery can produce significant amounts of small diameter woody materials (biomass is predominantly the by-product of hazardous fuels removal projects that reduce the risk of wildland fire and improve forest health). Many small communities have lost conventional sawmills and other utilization infrastructure. Better coordinated technical support, investment and incentives can enhance development of infrastructure and help commercialize new technologies that make profitable use of forest and rangeland resources made available through emergency salvage and recovery projects.

The strategy for increasing biomass utilization from BLM-managed lands draws on the authorities provided in the HFI, the National Fire Plan, HFRA, and stewardship contracting under the FY 2003 Omnibus Appropriations Act (Section 323 of Public Law 108-7). In FY 2004 (the first full fiscal year in which the BLM had this authority), the BLM offered nearly 30,000 tons of biomass, mostly through stewardship contracts that also benefited local communities. In FY 2005, 71,000 tons of wood by-products were offered through contracts by the BLM. The target for FY 2006 is to offer 60,000 tons of biomass through contracts or agreements. When treating areas for hazardous fuels reduction, the BLM's goal for FY 2006 is to offer biomass in 10 percent of the BLM's mechanical treatment projects in forests and woodlands, increasing to 50 percent by FY 2008.

In addition, the BLM has undertaken six biomass demonstration projects—in Alaska, California, Colorado, Idaho, and two projects in Oregon—in which local field offices are working with nearby communities to develop strategies for using biomass to generate energy.

In Emmett, Idaho, the BLM together with other Federal and State land management agencies and private interests is working to secure a sustainable supply for a new 19 megawatt biomass plant. By-products from hazardous fuels reduction efforts as well as rangeland and forest health projects on BLM managed lands in southeast Idaho will contribute to the supply for this plant. A co-generation lumber mill is also being developed to further take advantage of available biomass material. Also, the BLM continues to support opportunities for biomass utilization in central Idaho including Bennett Forest Industries' establishment of a woody biofuels energy generation plant at the company's new lumber mill in Grangeville, Idaho.

In the Prineville, Oregon demonstration project, with the execution of a Memorandum of Understanding (MOU) with the Confederated Tribes of Warm Springs (Tribes), the BLM and Forest Service in central Oregon agreed to offer 80,000 bone dry tons (8,000 acres) of woody biomass material annually. This long-term commitment to provide biomass to the mill at Warm Springs will provide a stable supply of biomass to enlarge the market for biomass energy. With the increased supply of renewable energy, the Tribes can market energy to power homes, or direct that energy to new businesses. Thus, woody debris that used to go up in smoke or clog landfills will now be converted to heat, light, and economic development. Based on this MOU, the Tribes are seeking a power purchase agreement and bank financing to develop a 15.5 megawatt cogeneration plant.

The Department of the Interior also has adopted a standard contract provision, for use by all Interior agencies, which allows for the removal of biomass as part of all forest and rangeland thinning projects or any other contracts that cut vegetation. To help increase the market for materials made of small wood and wood biomass, the agency has added a factor to their procurement solicitations to encourage the purchase of bio-based materials. In addition, Section 210 of the Energy Policy Act of 2005 authorizes Federal grants for biomass use.

Tribal Forest Protection Act

The Tribal Forest Protection Act (Public Law 108-278) [TFPA] was passed in July 2004 in response to devastating wildfires that crossed from Federal lands onto Tribal lands. The TFPA provides a tool for Tribes to propose work and enter into contracts and agreements with the Forest Service or BLM to reduce threats on Federal lands adjacent to Indian trust land and Indian communities.

The TFPA focuses on BLM or Forest Service lands that 1) border or are adjacent to Tribal lands; and 2) pose a fire, disease, or other threat to the Indian trust land or community or are in need of restoration. An excellent example of Tribes partnering with the Federal agencies under the auspices of the TFPA includes a recently signed Memorandum of Understanding (MOU) between the Confederated Tribes of the Warm Springs Indian Reservation in Oregon and the BLM and US Forest Service.

As mentioned in our discussion of biomass utilization, under this MOU the BLM and Forest Service in central Oregon agreed to offer to the Tribes 80,000 bone dry tons (8,000 acres) of woody biomass

material annually as the Tribes conduct hazardous fuels reduction projects on Federal lands adjacent to the Warm Springs reservation.

The MOU addresses the key components of HFRA and TFPA by focusing efforts on treating hazardous fuels and restoring the health of forests to minimize large catastrophic wildfires. This partnership recognizes that over the past decade, central Oregon and the inland West have experienced unnaturally large wildfires that have put many values at risk, including people's lives and homes, sensitive or protected fish and wildlife habitat, culturally and Tribally significant resources, critical infrastructure, soil productivity, aesthetics, clean air and other valued components of forests and communities.

Challenges We Face

We thank the Congress for the authority provided through the HFRA. In addition, as note above, we utilize appropriate administrative authorities in planning and conducting certain fuels treatment and post-catastrophic event activities. Despite these ongoing efforts, challenges abound. Certain post-fire situations require a rapid, coordinated response in order to assure effectiveness of recovery and restoration efforts. Moreover, the environmental threats typically do not stop at ownership boundaries. Treatments limited to one side of a jurisdictional boundary may be less effective than actions coordinated within a broader ecosystem. Current authorities and procedures make coordinated decision making among Federal, State, and local land managers difficult. For example, the BLM missed an opportunity to coordinate salvage and restoration activities with an adjacent landowner in the area burned by the Timbered Rock Fire in 2002 in Oregon. The adjacent landowner moved ahead immediately with salvaging and replanting the burned area, and within one year salvaged and replanted all 9,000 acres of his burned lands. By comparison, because of the procedural requirements to salvage and re-plant on Federal lands, most of the BLM portion of the burned area is not yet fully treated. In such cases, coordination among Federal, State, and local land managers would increase the likelihood of effective restoration on a landscape or watershed basis.

Conclusion

We greatly appreciate the ongoing support that the Chairman and Members of the Subcommittee have provided for our use of the authorities of HFI, stewardship contracting, and HFRA to reduce hazardous fuels and restore the health of the public lands. Using these authorities, the Interior agencies are expediting projects to treat hazardous fuels, restore fire-adapted ecosystems, restore healthy conditions to public forests and rangelands, and reduce the threat of catastrophic wildland fire to at-risk communities. We will continue to partner with other Federal agencies, as well as State, local, and Tribal governments, to accomplish additional fuels reduction and restoration projects.

Thank you again for the opportunity to testify at this hearing. I would be glad to answer any questions.